

Duke Energy Progress
Cost of Capital - Electric Operations
12 Months Ended December 31, 2018
Dollars in Thousands

Total Company													
Per Books								As Adjusted					
Line No.	Description	Amount (Col. 1) \$	Ratio (Col. 2) %	Retail Rate Base (Col. 3) \$	Embedded Cost/ Return (Col. 4) %	Weighted Cost/ Return (Col. 5) %	Operating Income (Col. 6) \$	Amount (Col. 7) \$	Ratio (Col. 8) %	Retail Rate Base (Col. 9) \$	Embedded Cost/ Return (Col. 10) %	Weighted Cost/ Return (Col. 11) %	Operating Income (Col. 12) \$
1	Long Term Debt	\$ 7,508,191	46.27%	\$ 6,822,771	4.16%	1.92%	\$ 283,827	\$ 7,508,191	46.27%	\$ 7,518,445	4.16%	1.92%	\$ 312,767
2	Preferred Stock	-	0.00%	-	0.00%	0.00%	-	-	0.00%	-	0.00%	0.00%	-
3	Common Equity	8,717,931	53.73%	7,922,790	8.43%	4.53%	668,275	8,717,931	53.73%	8,730,626	6.12%	3.29%	534,602
4	Total	<u>\$ 16,226,122</u>	<u>100.00%</u>	<u>\$ 14,745,561</u>			<u>\$ 952,102</u>	<u>\$ 16,226,122</u>	<u>100.00%</u>	<u>\$ 16,249,071</u>			<u>\$ 847,369</u>

SC Retail													
Per Books								As Adjusted					
Line No.	Description	Amount (Col. 1) \$	Ratio (Col. 2) %	Retail Rate Base (Col. 3) \$	Embedded Cost/ Return (Col. 4) %	Weighted Cost/ Return (Col. 5) %	Operating Income (Col. 6) \$	Amount (Col. 7) \$	Ratio (Col. 8) %	Retail Rate Base (Col. 9) \$	Embedded Cost/ Return (Col. 10) %	Weighted Cost/ Return (Col. 11) %	Operating Income (Col. 12) \$
5	Long Term Debt	\$ 7,508,191	46.27%	\$ 699,230	4.16%	1.92%	\$ 29,088	\$ 7,508,191	46.27%	\$ 770,159	4.16%	1.92%	\$ 32,039
6	Preferred Stock	-	0.00%	-	0.00%	0.00%	-	-	0.00%	-	0.00%	0.00%	-
7	Common Equity	8,717,931	53.73%	811,966	10.31%	5.54%	83,677	8,717,931	53.73%	894,330	6.95%	3.73%	62,152
8	Total	<u>\$ 16,226,122</u>	<u>100.00%</u>	<u>\$ 1,511,196</u>			<u>\$ 112,765</u>	<u>\$ 16,226,122</u>	<u>100.00%</u>	<u>\$ 1,664,489</u>			<u>\$ 94,191</u>

Wholesale and Other													
Per Books								As Adjusted					
Line No.	Description	Amount (Col. 1) \$	Ratio (Col. 2) %	Retail Rate Base (Col. 3) \$	Embedded Cost/ Return (Col. 4) %	Weighted Cost/ Return (Col. 5) %	Operating Income (Col. 6) \$	Amount (Col. 7) \$	Ratio (Col. 8) %	Retail Rate Base (Col. 9) \$	Embedded Cost/ Return (Col. 10) %	Weighted Cost/ Return (Col. 11) %	Operating Income (Col. 12) \$
9	Long Term Debt	\$ 7,508,191	46.27%	\$ 1,553,227	4.16%	1.92%	\$ 64,614	\$ 7,508,191	46.27%	\$ 1,734,968	4.16%	1.92%	\$ 72,175
10	Preferred Stock	-	0.00%	-	0.00%	0.00%	-	-	0.00%	-	0.00%	0.00%	-
11	Common Equity	8,717,931	53.73%	1,803,650	4.90%	2.63%	88,361	8,717,931	53.73%	2,014,693	3.59%	1.93%	72,229
12	Total	<u>\$ 16,226,122</u>	<u>100.00%</u>	<u>\$ 3,356,876</u>			<u>\$ 152,975</u>	<u>\$ 16,226,122</u>	<u>100.00%</u>	<u>\$ 3,749,661</u>			<u>\$ 144,404</u>

Other Retail													
Per Books								As Adjusted					
Line No.	Description	Amount (Col. 1) \$	Ratio (Col. 2) %	Retail Rate Base (Col. 3) \$	Embedded Cost/ Return (Col. 4) %	Weighted Cost/ Return (Col. 5) %	Operating Income (Col. 6) \$	Amount (Col. 7) \$	Ratio (Col. 8) %	Retail Rate Base (Col. 9) \$	Embedded Cost/ Return (Col. 10) %	Weighted Cost/ Return (Col. 11) %	Operating Income (Col. 12) \$
13	Long Term Debt	\$ 7,508,191	46.27%	\$ 4,570,314	4.16%	1.92%	\$ 190,125	\$ 7,508,191	46.27%	\$ 5,013,318	4.16%	1.92%	\$ 208,554
14	Preferred Stock	-	0.00%	-	0.00%	0.00%	-	-	0.00%	-	0.00%	0.00%	-
15	Common Equity	8,717,931	53.73%	5,307,174	9.35%	5.02%	496,237	8,717,931	53.73%	5,821,603	6.87%	3.69%	400,221
16	Total	<u>\$ 16,226,122</u>	<u>100.00%</u>	<u>\$ 9,877,488</u>			<u>\$ 686,362</u>	<u>\$ 16,226,122</u>	<u>100.00%</u>	<u>\$ 10,834,921</u>			<u>\$ 608,775</u>

[A] Long Term Debt includes Mortgage and Pollution Control Bonds, Senior Debt, Unamortized Debt Expense and Discounts and Premiums. Current maturities are excluded.
[B] Includes net of tax Piedmont merger costs to achieve of approximately \$478 thousand.